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HEARING TO REVIEW UPDATES ON USDA INSPECTOR GENERAL AUDITS, INCLUDING SNAP FRAUD DETECTION EFFORTS AND IT COMPLIANCE

HEARING

BEFORE THE

SUBCOMMITTEE ON DEPARTMENT OPERATIONS, OVERSIGHT, AND CREDIT

OF THE

COMMITTEE ON AGRICULTURE HOUSE OF REPRESENTATIVES

ONE HUNDRED TWELFTH CONGRESS

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HEARING TO REVIEW UPDATES ON USDA INSPECTOR GENERAL AUDITS, INCLUDING SNAP FRAUD DETECTION EFFORTS AND IT COMPLIANCE

THURSDAY, DECEMBER 1, 2011

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON DEPARTMENT OPERATIONS,
OVERSIGHT, AND CREDIT,
COMMITTEE ON AGRICULTURE,
Washington, D.C.

The Subcommittee met, pursuant to call, at 10:00 a.m., in Room 1300 of the Longworth House Office Building, Hon. Jeff Fortenberry [Chairman of the Subcommittee] presiding.

Members present: Representatives Fortenberry, Johnson, Crawford, Fudge, McGovern, and Baca.

Staff present: Tamara Hinton, Brandon Lipps, Pam Miller, John Porter, Debbie Smith, Heather Vaughan, Suzanne Watson, Craig Jagger, Lisa Shelton, John Konya, and Caleb Crosswhite.

OPENING STATEMENT OF HON. JEFF FORTENBERRY, A REPRESENTATIVE IN CONGRESS FROM NEBRASKA

The CHAIRMAN. Good morning. This hearing of the Subcommittee on Department Operations, Oversight, and Credit to review updates on USDA Inspector General audits, including SNAP fraud detection and IT compliance will come to order.

Thank you all for coming this morning. After my opening statement, I will turn to the Ranking Member for hers and then we will move quickly into the testimony.

I thank you all for joining us today for this oversight hearing. I would like to especially thank Ms. Fong for returning to the Subcommittee. Last time you were here, we discussed a number of Inspector General investigations and together we identified two issues that warranted follow-up. So we appreciate your willingness to come today.

The first issue we will address is fraud and abuse in the Supplemental Nutrition Assistance Program, or SNAP as it is called. As I said at our last oversight hearing, the rate of improper payments has fallen significantly, so we are moving in the right direction. But nutrition assistance is by far the largest percentage of expenditures by the Department of Agriculture. With more than $70 billion in annual spending, even low rates of improper payments quickly add up to significant waste. In this economy when many people

have a real need for nutrition assistance to feed and nourish their families, we cannot afford to waste any taxpayer dollars.

When you were last here, Ms. Fong, you mentioned that the Food and Nutrition Service could do a better job of using state fraud data to detect improper SNAP payments. A number of Committee Members, including myself, emphasized how important it is to ensure we have the best possible mechanisms in place to detect waste and fraud, as well as abuse. I look forward to learning more about your conclusions in this regard.

The second topic I wish to discuss today is the Department's efforts to update its information technology. Constituents across the country rely on the Department to help them access critical programs and services, and the Department requires functioning computer networks to provide that service. The Department has been given funds to update its IT services, and the last time you were here, we discussed a report being conducted by your office on whether those funds are being used effectively.

We would like to discuss your findings in this area to ensure that our investment is benefitting our constituents as it should. We all are very much aware of the tight budget constraints these days.

As the Subcommittee charged with overseeing the Department's operations, we rely on timely and thorough investigations from your office in order to ensure good government practices. This information not only helps us evaluate how the Department is using taxpayer dollars, but it also helps us make better policy decisions, going forward. So that is why it is critical for your office to supply us with timely and accurate data.

I look forward to learning more about your audit work on the SNAP program and the Department's use of information technology, but I also would like to learn more about how your own office prioritizes resources to complete these audits and investigations in a timely manner.

[The prepared statement of Mr. Fortenberry follows:]

PREPARED STATEMENT OF HON. JEFF FORTENBERRY, A REPRESENTATIVE IN CONGRESS FROM NEBRASKA

Good morning. Thank you for joining us today for this oversight hearing. I'd especially like to thank Ms. Fong for returning to our Subcommittee. The last time you were here, we discussed a number of Inspector General investigations and—together—we identified two issues that warranted follow-up.

The first issue we'll address is fraud and abuse in the Supplemental Nutrition Assistance Program, or SNAP as it is commonly called. As I said at our last oversight hearing, the rate of improper payments has fallen significantly. So we're moving in the right direction.

But nutrition assistance is by far the largest percentage of expenditures by the Department of Agriculture. With more than $70 billion in annual spending, even low rates of improper payments quickly add up to significant waste.

In this economy, many people have a real need for nutrition assistance to feed and nourish their families. We cannot afford to waste taxpayer dollars intended for struggling families.

When you were last here, Ms. Fong, you mentioned that the Food and Nutrition Service could do a better job of using state fraud data to detect improper SNAP payments. A number of Committee Members, myself included, emphasized how important it is to ensure we have the best possible mechanisms in place to detect waste, fraud, and abuse. I look forward to learning more about your conclusions on this issue.

The second topic I want to address is the Department's efforts to update its Information Technology. Constituents across the country rely on the Department to help

them access critical programs and services. And the Department requires functioning computer networks to provide that service.

The Department has been given funds to update its Information Technology services, and the last time you were here we discussed a report being conducted by your office on whether those funds had been used effectively. We'd like to discuss your findings in this area to ensure that our investment is benefitting our constituents as it should. We are facing tighter budget constraints these days, and it's more important than ever that we get the maximum benefits from every taxpayer dollar.

As the Subcommittee charged with overseeing the Department's operations, we rely on timely and thorough investigations from your office in order to ensure good government practices.

This information not only helps us evaluate how the Department is using taxpayer dollars, but it also helps us make better policy decisions, going forward.

That's why it is critical for you to supply us with accurate reports in a timely fashion.

So during this hearing I'm not only looking forward to learning more about your audit work on SNAP and the Department's use of Information Technology, but also more about how your office prioritizes resources to complete these audits and investigations in an efficient manner.

With that, I turn to our ranking member for her opening statement.

The CHAIRMAN. With that, I will turn to our Ranking Member, Ms. Fudge, for her opening statement.

OPENING STATEMENT OF HON. MARCIA L. FUDGE, A REPRESENTATIVE IN CONGRESS FROM OHIO

Ms. FUDGE. Thank you so much, Mr. Chairman. And thank you, Inspector General Fong. Thank you for being here today. And I thank you for your follow-up with my office on issues that were raised during our June hearing. In particular, I appreciate the data you provided on the $256 million saved by USDA through waste and fraud investigations.

Any improper payments made with USDA funds are a concern for this Subcommittee. The data provided by the Office of the Inspector General reflects ongoing challenges across all USDA departments. I raise this point to emphasize the unfairness of solely criticizing the Supplemental Nutrition Assistance Program. While I acknowledge the program has challenges with fraud, those challenges must be rooted out so that the program can continue to serve a great national need.

SNAP is the safety net that helps tens of millions of American families during this tough economic time. In my district, more than 44,000 households depend on SNAP. More than ½ of these households include children. Suburban communities are dependent more on SNAP than ever before. Between July 2007 and July 2010, suburban communities added 3.2 million SNAP recipients, an increase of 73 percent. Americans in all communities across the nation are in need, and SNAP plays a critical role in meeting this great need.

During my 5 minutes of questioning, I look forward to hearing from you about your work to reduce SNAP fraud. I support your efforts to ensure that people who need SNAP receive the benefits as opposed to those who defraud the system. I also look forward to hearing more about your office's work on improving USDA's response to civil rights complaints and USDA's IT system.

Thank you again for being here today. Mr. Chairman, I yield back.

[The prepared statement of Ms. Fudge follows:]

PREPARED STATEMENT OF HON. MARCIA L. FUDGE, A REPRESENTATIVE IN CONGRESS FROM OHIO

Thank you, Mr. Chairman.

Inspector General Fong, thank you for being here today. Thank you for your follow-up with my office on issues that were raised during the June hearing. In particular, I appreciate the data you provided on the $256 million saved by USDA through waste and fraud investigations.

The data provided by the Office of the Inspector General reflects ongoing challenges across all USDA departments. The data isn't exactly good news. Any improper payments made by USDA are a concern to me and to this Subcommittee. However, I raise this point to emphasize the unfairness of solely criticizing the Supplemental Nutrition Assistance Program. While I acknowledge the program does have challenges with fraud, it is effectively serving a great national need.

SNAP is the safety net that helps to feed tens of millions of American families during this tough economic time. In my District, more than 44,000 households depend on SNAP. More than ½ of these households include children.

Suburban communities are depending more on SNAP than ever before. Between July 2007 and July 2010, suburban communities added 3.2 million SNAP recipients-an increase of 73 percent. Americans in all communities across the nation are in need and SNAP plays a critical role in meeting this great need.

During my 5 minutes of questioning, I look forward to hearing from you about your work to reduce SNAP fraud. I support your efforts to ensure the people who need SNAP receive the benefit as opposed to those who defraud the system. I also look forward to hearing more about your office's work on improving USDA's response to civil rights complaints and USDA's IT system. Thank you again for being here today.

The CHAIRMAN. I thank the Ranking Member. And the chair would request that the other Members submit their opening statements for the record so the witness may begin her testimony and ensure there is ample time for questions.

With that said, I would like to welcome our panel, the Honorable Phyllis Fong, Inspector General of the Office of Inspector General, U.S. Department of Agriculture here in Washington. She is accompanied by Karen Ellis, who is the Assistant Inspector General for Investigations; Mr. Gil Harden, the Assistant Inspector General for Audit, Office of the Inspector General.

Ms. Fong, please begin.

STATEMENT OF HON. PHYLLIS K. FONG, INSPECTOR GENERAL, U.S. DEPARTMENT OF AGRICULTURE, WASHINGTON, D.C.; ACCOMPANIED BY KAREN ELLIS, ASSISTANT INSPECTOR GENERAL FOR INVESTIGATIONS, OIG, USDA; GIL HARDEN, ASSISTANT INSPECTOR GENERAL FOR AUDIT, OIG, USDA

Ms. FONG. Well, thank you, Mr. Chairman, Ranking Member Fudge, and Members of the Subcommittee. It is a pleasure to be here today with you to discuss these issues of great concern. And we appreciate the opportunity to talk to you about our current work in the SNAP program and with respect to the Department's IT programs.

Since you have a copy of my full statement for the record, let me just highlight some of the key points that our testimony makes.

In the SNAP program, as you mentioned, we are performing a series of audits analyzing the databases of ten states to identify participants who may not be eligible to receive benefits. And as you know, we recently issued two reports concerning our work in Kansas and Florida where we identified more than 3,500 recipients who were receiving potential improper payments of over $490,000

a month. As our reports detailed, these payments went to recipients who were on the deceased list, who were disqualified from receiving SNAP benefits, who may have had invalid Social Security Numbers, who were receiving dual benefits under two separate accounts in one state, or who may have been receiving dual benefits simultaneously from two different states.

While our findings to date do not represent large monetary sums when you think about it in the context of the SNAP program as a whole, they do indicate areas where FNS and the states could make progress in reducing potential improper payments. We have made several recommendations to FNS to address these issues that we found, and FNS has generally agreed to take corrective action and has actually implemented some corrective action to date.

As you noted, we also conduct criminal investigations to address allegations of fraud and abuse in USDA programs across the board. With respect to the SNAP program, in recent years we have devoted about ½ of our investigative resources to cases that involve the illegal exchange of SNAP benefits for cash or other commodities, which is known as trafficking. Over the last 2 years, these investigations have resulted in over 600 convictions and over $98 million in monetary results. My written statement provides several examples of these kinds of cases and the significant sentences that courts impose in these situations.

Finally, I would like to address your interest in USDA's IT programs. As you mentioned in your opening statements, USDA depends on IT systems to deliver benefits to program recipients across its many agencies and responsible areas. And this has been a challenge for USDA in terms of bringing its IT infrastructure into full compliance with Federal security requirements. We, in the OIG, continue to provide audit oversight of these activities. As you note, we are currently reviewing the use of $40 million that was appropriated last year to address and assess whether there have been any improvements in the Department's IT infrastructure.

In a closely related audit, we have recently issued our annual FISMA report, which is required by law, which assesses the overall state of USDA's IT security initiatives. In the last 3 years, we have made 43 recommendations to the Department in the context of these FISMA audits to help the Department remedy long-standing challenges in IT security. Though the Department has only been able to close six of these 43 recommendations, the Department continues to work towards resolving the issues that we have identified.

So I would like to conclude my statement and again thank you for the opportunity to be here today and to engage in dialogue with you on these issues. And we welcome any questions that you might have.

[The prepared statement of Ms. Fong follows:]

PREPARED STATEMENT OF HON. PHYLLIS K. FONG, INSPECTOR GENERAL, U.S. DEPARTMENT OF AGRICULTURE, WASHINGTON, D.C.

Good morning, Mr. Chairman, Ranking Member Fudge, and Members of the Subcommittee. I am joined by Gil Harden, the Assistant Inspector General for Audit and Karen Ellis, the Assistant Inspector General for Investigations. Thank you for the opportunity to update the Subcommittee on the Office of Inspector General's (OIG) work on preventing fraud in the Supplemental Nutrition Assistance Program

(SNAP) and reviewing the Department's information technology (IT) programs for compliance with all applicable laws and regulations.

Database Analysis to Reduce SNAP Fraud

As part of our ongoing efforts to help minimize fraud, waste, and abuse within SNAP, OIG is performing a series of audits analyzing ten states' participant databases.[1] These databases store critical information which helps identify ineligible participants who are receiving benefits. Detecting and investigating program violations is one of the state agencies' primary responsibilities. State agencies are required to check their information against Federal and state databases to ensure, for example, that people using deceased individuals' Social Security Numbers (SSN) do not receive benefits, or that their submitted income is the same as is listed in official records. If applicants do not meet eligibility requirements at the time of application or on a recurring 6 to 12 month basis, state agencies are required to disqualify them. Doing so ensures that taxpayer dollars go to those who are truly in need.

To monitor state agencies' progress in identifying and preventing improper payments, we checked several of these databases ourselves. We have completed work in two states—Kansas and Florida—and found a total of 3,572 recipients who were receiving potential improper payments:[2]

- *878 recipients were either deceased or using the SSNs of deceased individuals.*[3] State agencies did not investigate individuals using the SSNs of deceased persons due to a backlog stemming from increased participation in SNAP in recent years, as well as a system crash. Additionally, some recipients received benefits because state agencies only checked state death records, which do not identify deceased participants who died in a different state, instead of checking against the required national Social Security Administration database.
- *160 active participants were previously disqualified from receiving SNAP benefits.*[4] One of the most basic ways to protect against SNAP fraud is to prevent intentional program violators from reenrolling, but FNS does not require states to check FNS' database of disqualified participants before admitting them into SNAP.[5] We found that because of this policy, in Florida alone, 160 participants who had previously been disqualified in other states were actively receiving SNAP benefits.
- *973 participants received dual benefits simultaneously from another state for 3 consecutive months.*[6] *Of these, 165 were enrolled in both states for 6 months or longer*[7]*—and one was a dual participant for a year and a half.*[8] This occurred because, at present, FNS does not have a nationwide database of participant data. Instead, the states, at their own discretion, utilize an optional, multi-state system, which results in significant gaps in coverage. For example, even though Florida utilizes this system, it did not know that 370 SNAP participants were simultaneously receiving benefits in Alabama because Alabama does not participate in the system, and thus the system does not contain Alabama's data.
- *1,555 individuals had invalid SSNs.*[9] The states did not always check their own databases for anomalies, which increased the risk of improper payments to individuals with invalid SSNs. Agencies attributed most of these errors to data entry errors or incorrect SSNs provided by participants. With potentially incorrect information, it is difficult for states to determine which participants may be intentionally manipulating the system.
- *6 individuals were receiving dual benefits under two separate accounts.*[10] State agencies determined that a rare IT system issue created dual records, but were unable to diagnose the cause.

Participants in Kansas receive on average $124.40 in benefits a month, while participants in Florida receive an average of $141.40 a month. We estimate that these 3,572 recipients could be receiving a total of $490,070 a month.[11]

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[1] The ten states are Alabama, Florida, Kansas, Louisiana, Massachusetts, Mississippi, Missouri, New Jersey, New York, and Texas.
[2] Kansas: 883; Florida: 2,689.
[3] Kansas: 71; Florida: 807.
[4] Florida: 160.
[5] FNS uses a database known as the Electronic Disqualified Recipient System (eDRS).
[6] Kansas: 90; Florida: 883.
[7] Kansas: 58; Florida: 107.
[8] Kansas: 1.
[9] Kansas: 720; Florida: 835.
[10] Kansas 2: Florida: 4.
[11] $109,845 in Kansas; $380,225 in Florida.

Databases provide some of the most comprehensive and robust information for fraud detection. However, we found that because state agencies do not fully utilize them—even when they are required to do so—they may continue to issue SNAP payments to those who are not entitled to receive the benefit.

Taken within the context of SNAP as a whole, our findings to date do not represent large monetary sums, but they do show areas where FNS and the states could make progress in reducing potential improper payments. Moreover, as FNS strives to bring its rate of improper payments below three percent, it will need to make use of data analysis as a straightforward way of identifying payments that should not be made. OIG is in the process of completing similar data analysis audits in another eight states.

In our reports, we have recommended that FNS require the Florida and Kansas agencies to ensure they use a national database to perform death matches and SSN verifications, and that they perform checks to make sure information is entered correctly. We also recommended the state agencies review the individuals we identified and recover improper payments, as appropriate. Generally, FNS agreed. To prevent interstate dual participation, the agency is in the process of implementing regional databases. FNS also encourages states to check for interstate dual participation by using the optional national database, but notes that some states feel the information in this database is not timely. FNS has not yet provided timelines to implement checks for dual enrollment, which we require to reach agreement on management's decision for corrective action.[12]

Additionally, we have found that FNS needs to take measures to ensure that other information used in fraud detection efforts is accurate and reliable. In one audit, we found that the files used to back up FNS' Anti-Fraud Locator Electronic Benefit Transfer (EBT) Retail Transaction system, which stores the data from EBT transactions, were incomplete and disorganized, which could hinder fraud detection efforts. As a result of our audit, FNS has agreed to strengthen system controls, including system redesigns and upgrades by June 2012.[13]

OIG Investigations of the Illegal Trade in SNAP Benefits

Just as there are individuals willing to misrepresent themselves to receive benefits, so there are individuals and retailers who illegally exchange food benefits for cash or other commodities. For example, by giving a recipient $50 in cash for $100 in benefits, an unscrupulous retailer can make a significant profit; recipients, of course, are then able to spend the cash however they like. In some cases, recipients have exchanged benefits for drugs, weapons, and other contraband. Not only does this illegal exchange interfere with FNS' ability to efficiently use its resources to feed hungry families, but it undermines the goal of providing nutritional and wholesome food to those in need.

In FY 2011, OIG devoted about 46 percent of its investigative resources to SNAP-related criminal investigations. In that year, our investigations resulted in 179 convictions and monetary results totaling $26.5 million. In recent months, OIG has concluded a number of SNAP investigations, including the following:

- A judge recently ordered a Brooklyn store owner to serve 2 years in jail and pay $1.4 million in restitution for defrauding SNAP. From September 2007 to September 2009, OIG agents exchanged a total of $2,664 in SNAP benefits for $1,875 in cash in a series of transactions demonstrating that the owner was in the habit of trafficking in SNAP benefits. Subsequent investigation and analysis of financial data demonstrated that the store's fraudulent SNAP transactions amounted to approximately $1.4 million. In 2009, the store owner and her son were charged with conspiracy to commit SNAP trafficking. The store owner pled guilty and was sentenced to 24 months' imprisonment and ordered with her son to pay restitution of approximately $1.4 million and forfeiture in the amount of $105,524. The owner's son fled, but he was apprehended in Florida in July 2010. He pled guilty in December 2010, and in June 2011, was sentenced to 15 months' imprisonment.
- After being deported from the United States for food stamp fraud in the 1990s, one criminal illegally re-entered the country in 2000 and resumed EBT fraud. With the assistance of an accountant, this individual opened several stores using other individuals' names. The false owners of these stores signed their

[12] Audit Report 27002–0002–13, "Analysis of Florida's SNAP Eligibility Data" (November 29, 2011) and Audit Report 27002–0001–13, "Analysis of Kansas' SNAP Eligibility Data" (November 23, 2011).

[13] Audit Report 27002–0001–DA, "Analysis of Supplemental Nutrition Assistance Program ALERT Database" (November 22, 2011).

names on FNS documents to obtain authorization to accept SNAP benefits, but the subject, his wife, and his brother actually operated these stores. Subsequently, an OIG investigation resulted in the subject and his brother being charged with fraud. In June 2011, the owner was sentenced to 57 months of incarceration, 3 years of probation, and restitution of $1.7 million, and will again be subject to deportation. His brother was sentenced in May 2011 to 21 months of incarceration, 12 months' probation, and restitution totaling $362,764. Court actions are pending against the store owner's wife.

- In Cincinnati, a 2 year joint criminal investigation led by OIG disclosed that the owner, manager, and employees of two SNAP-authorized retailers exchanged SNAP benefits for firearms, cash, stolen tobacco products, narcotics, and drug paraphernalia. In April 2011, two store employees, who were brothers, were sentenced to 51 months' incarceration followed by 3 years' supervised release, and were ordered to pay fines. Their mother was sentenced in May 2011 to time served, 6 months' home confinement, and 3 years' supervised release after agents found EBT cards in her purse while searching for evidence involving her sons' illegal SNAP trafficking. Their father was sentenced to probation in September 2011 after he pled guilty to SNAP fraud and receipt of stolen property. One of the store owners and a manager are scheduled to be tried criminally later this year for illegal use of SNAP benefits.

OIG continues to work with FNS to develop new ways of detecting and investigating retailers at high risk of committing such fraud. In particular, we are engaged in ongoing discussions with FNS to identify ways to leverage resources with state and local partners so that they may better address fraud involving both retailers and recipients.

Improving USDA's IT Systems

OIG continues to provide oversight to ensure that the Department efficiently and effectively utilizes the funds it was provided to update its IT infrastructure. In FY 2010, the Office of the Chief Information Officer's (OCIO) baseline budget was increased from $17 million to $61 million for security improvements within the Department. Anticipating a total of $64 million in FY 2011, USDA pursued a total of 14 projects that year, including network monitoring and establishing a 24/7 security operations center. However, in April 2011, the passage of a final continuing resolution resulted in a decrease in overall appropriations available for the remainder of FY 2011. OCIO received a total of $40 million for FY 2011—$23 million more than in FY 2009, but $24 million less than what it anticipated. OIG is in the process of determining how OCIO used the additional funding it received, and if the additional funding resulted in improved security. We can state, based on our work to date, that the 14 projects initiated with this additional funding appear to have been significantly curtailed or delayed. In one example, with a decreased budget, USDA halted work by contractors to implement a $3.6 million software package. With the project not yet operational, and without access to the administrator account, the Department effectively found itself unable to use the software tool.

Apart from this ongoing audit, OIG routinely monitors the state of IT security at USDA. Each year, we conduct our mandated review of the Department's compliance with the Federal Information Security Management Act (FISMA). Bringing USDA's IT infrastructure into full compliance with all applicable laws and regulations is a formidable challenge, as the Department includes 33 agencies, most with their own IT infrastructure, and operates a total of 257 discrete IT systems. In FY 2011, USDA spent a total of $2.5 billion on IT-related expenses to maintain, upgrade, operate, or replace these systems.

The Department requires this infrastructure to process and manage the vast amounts of information needed to deliver benefits and services to the American public. However, overseeing such a diverse array of technology presents problems for any organization, and USDA is no exception. Since 2009, OIG has made 43 recommendations, including ten from FY 2011, intended to help the Department remedy longstanding deficiencies in its IT security. Though the Department has closed only six of these 43 recommendations, it continues to work on resolutions for the remaining open recommendations.

As part of our FY 2011 FISMA review, OIG noted that OCIO has tended to attempt too many IT projects at the same time, which has resulted in USDA not meeting its project milestones. Given OCIO's tendency to disperse its efforts over a wide field—and thereby dilute their effect—we have recommended that OCIO prioritize its work on a few projects, and focus on completing those projects. To some extent, OCIO has responded. For example, in response to issues we reported previously, the Department installed a cyber security incident detection toolkit this year—this sys-

tem should help USDA detect and respond to intrusions in its data systems. With appropriate resources, the Department can analyze up to 150 alerts to potential cyber attacks per week. OCIO, however, faced a decrease in its budget for this project, and was forced to reduce the personnel it relied on to perform this work. Now, it analyzes about 15 alerts weekly.[14]

OIG also has issued a number of recent reports dealing with IT problems in the Department, several of them dealing with contractors. Federal IT projects have historically involved contractors, but USDA has not always adequately overseen the contracts it relies on to fulfill its IT requirements. For instance, our audit of USDA's Domain Name System (DNS) revealed that OCIO needs to improve how it oversees the contractors who operate this critical system, which routes Internet traffic through the network.[15] Like any other distributed computing system, USDA's system is susceptible to platform-, software-, and network-level vulnerabilities. OIG reviewed the Department's management and security controls to protect the integrity, validity, and availability of the information that travels across USDA's network. We found that OCIO has not always been diligent in ensuring that the management and security over DNS was adequate. Ultimately, these types of problems leave the Department open to cyber attacks and the potential destruction or theft of valuable and private data.[16]

USDA, like other Federal agencies and private companies, is also facing challenges concerning integrating new technologies in a way that furthers the Department's mission while also meeting the most rigorous IT security requirements. The Department's employees are increasingly reliant on smart phones or other wireless handheld devices, but these powerful devices bring with them new security problems related to their portability. OIG reviewed 277 of USDA's approximately 10,000 wireless handheld devices, and found that all of these 277 devices were not adequately secured, as defined by guidance issued by the National Institute of Standards and Technology. For example, we found wireless handheld devices that were not password-protected, had no anti-virus software installed, and were not configured to encrypt removable media. We also found that all 22 of the Department's Blackberry servers were not secured in accordance with Departmental guidance, which allowed users to disable their passwords or bypass the Department's Internet content filters. Ultimately, these problems occurred because OCIO took a decentralized approach to deploying these devices (allowing individual agencies to select and deploy smart phones) without providing clear guidance and oversight on how to configure and secure them, which resulted in inconsistencies.[17] OCIO accepted our recommendations.

Conclusion

This concludes our written statement. I want to again thank the Chair and the Subcommittee for the opportunity to testify today. We welcome any questions you may have.

The CHAIRMAN. Thank you, Ms. Fong. Did Ms. Ellis or Mr. Harden have any further input?

Ms. FONG. Are you asking if they have an opening statement?

The CHAIRMAN. Yes, I am sorry. Okay. Well, thank you.

First of all, let me do a little housekeeping with you. Back in June when we had our earlier hearing, it was suggested to us in response to your suggestion, Ranking Member Fudge and I wrote you a letter looking forward to a follow-up hearing this fall. We have had some difficulty scheduling this and now we only have preliminary data. Our expectation was that we would have a complete set of data based upon the questions that I raised earlier. It is important for us to just clear up this matter as to why there has been

[14] Audit Report 50501–0002–12, "U.S. Department of Agriculture, Office of the Chief Information Officer, Fiscal Year 2011 Federal Information Security Management Act" (November 15, 2011).

[15] DNS is a data communication mechanism that translates Internet Protocol addresses into easy-to-understand website names, allowing users to navigate using a website name such as *www.ocio.usda.gov* rather than a series of numbers such as 192.168.200.100.

[16] Audit Report 50501–0001–12, "Fast Report—Critical Domain Name Systems (DNS) Servers" (April 15, 2011).

[17] Audit Report 50501–0001–IT, "USDA's Management and Security Over Wireless Handheld Devices" (August 15, 2011).

delay and difficulty in scheduling this hearing and how you prioritize your own internal resources in this regard.

Ms. FONG. Well, thank you for raising that issue. When we appeared last summer and we engaged in a colloquy on our ongoing and planned work, at that time our office did say to you that we anticipated having final reports in the fall of 2011. And we certainly said that and that was our plan. I will say to you that managing audit work is an art and not a science. And we had work plans in place to accomplish that work and that was where we believed that we would be.

Now, I will say that sometimes when we start out with audits and we initiate them and we are involved in a number of states, there are issues that come up that we do not always anticipate. And sometimes there are bumps in the road in terms of finding issues that we had not anticipated finding that we need to follow through and work and analyze. We need to make sure that we understand the data that we are being given which may involve additional interviews, coordination with program officials who have priorities in terms of delivering programs which are very essential to them. And so on occasion, our audit time frames slip.

Now, I will also say that we have other mandatory work that we are required to do. As I might have noted, we have just completed the financial statement audits for the Department which are required by law. Those are seven very intensive audit efforts that were due on November 15 which involve many of the same staff involved in our IT work. And so we have had to shift and move and organize our work.

We recognize the importance that you put on these audits, and because of your interest and your follow up with us, we sped up our audit work on both the SNAP and the IT matters so that we were able to issue in the last few weeks the three audit reports on SNAP that are covered in my testimony and the FISMA report, which is in the IT arena.

So while I understand your concern and I will say that we did make that commitment, we are doing our very best to get this work out in as timely a manner as we can keeping in mind the need for high quality and for accurate data.

The CHAIRMAN. Thank you for that. I think I have sufficiently pressed my point that we depend upon you. We can't do this ourselves. This Committee is going to take its work very seriously. I think perhaps a middle ground here would be as we move forward and we are looking for—we have to have some idea of firm timelines when things are going to be completed. If there is slippage because of other constraints, timely communication in that regard would be helpful but also maybe phasing some of the information would also be helpful in allowing us to see a snapshot of what may be coming before the fullness of the report is issued.

And that is clearly what we have today, so thank you for your response and we will look forward to continuing to strengthen this friendship and working relationship.

Let us go to the specifics of your findings: Talk a little bit more about the subset of data that you do have and the problems that you found, particularly in this SNAP trafficking issue, and then extrapolate from the subset the dollars potentially involved in the en-

tire system there due to these problems. In other words, you have a subset of data here, but what we need to do—I understand it is going to be preliminary and offend your sensibilities as policy analysts and audit experts to talk in too precise terms here, but nonetheless, this is the only data that we have. So I would like to extrapolate from what you have to an understanding of what this says about our system as a whole in terms of the waste or fraud that is out there, particularly this SNAP trafficking problem which you highlight.

Ms. FONG. Okay. Let me just make a few preliminary comments and then I will turn to my colleagues to elaborate in more detail.

As you note on the SNAP program, we have issued the first two of our ten reports dealing with individual states, and what we plan to do once we finish the other eight state reports is to issue a rollup report that will bring together the findings and trends for FNS in one package in terms of recommendations for action. And I will let Mr. Harden address that in a little more detail.

On the trafficking side——

The CHAIRMAN. Why don't we do this? Why don't we hold that question for a moment? I know the Ranking Member is a bit pressed for time because of another consideration, so if you would like to go ahead and ask a few questions now.

The CHAIRMAN. No? Are you fine?

Ms. FUDGE. Yes.

The CHAIRMAN. Okay. Well, please continue.

Ms. FONG. On the trafficking side, we are looking and addressing trafficking in the context of criminal investigations where there are allegations that individuals are taking advantage of the system and abusing them. And so we handle criminal investigations to go after those situations. Trafficking does not normally arise in the context of our audit work, and so I will ask Ms. Ellis if she would like to provide some comments on the trafficking work that our office does.

The CHAIRMAN. Well, why don't we do this? Why don't we actually define the types of fraud that are out there? This is one. And then from there, based upon what you have found, the collective impact on the system of this subset and then your approximation as to what this would mean in terms of the total loss in effect to the system. That is what I would like to know.

Ms. FONG. Okay. I think that is Mr. Harden's side of the house.

Mr. HARDEN. In terms of the dollar amounts that we have in the reports, we limit it to 1 month. I want to explain the reason for that. There are limitations in the states' data systems that we can't backtrack to when the actual improper payments or potential improper payments started. So there is not a way to project a whole amount for a year or something like that. And it is not a statistically designed sample review, so there is not a way to project those kind of things.

But in terms of the collective impact on a program, what we are seeing with what we are doing in the states, as well as what we have done other places, is that states aren't using the tools that they already have available to look for fraud indications.

The CHAIRMAN. You said they are not?

Mr. HARDEN. They are not using them. There are these tools such as the death match with Social Security and the things that we have itemized in the testimony, but there are also other reports that they have available to them. I mean each state has an EBT processor. There are certain EBT management reports that are produced that will tell, as an example, that if you are supposed to be a resident of the State of Florida but you are using your benefits in Georgia that it will tell you that they are being used out of state. And with that data, the state personnel can go and figure out has the person moved or are they getting duplicate benefits? So I mean there are more ways that if the states were doing more work with the information, they would be finding probably more and more improper payments.

The CHAIRMAN. Okay. I will try one more time. You have to get us to some—I know the problems with preliminary data. I understand that you are going to have some difficulty assigning some valid statistical measure at this point to be able to provide precisely what I am asking, but an estimate of the total impact here would be helpful, understanding it is very preliminary.

Mr. HARDEN. We have had discussion over the years with FNS as to how they estimate a fraud rate, which I have not, through those discussions, completely understood how they come to their number. I don't know how to say if it is one percent or half of a percent of the whole program. I know that every time that we have gone out and looked and whether the proper oversight was being given to the program, there have always been improper payments.

The CHAIRMAN. Okay. So the largest way to define improper payments or the best way to categorize it is in these key areas that you have talked about—deceased persons whose numbers are being lifted or used by someone else, those previously disqualified that are not being culled from the system, dual benefit——

Mr. HARDEN. Yes.

The CHAIRMAN.—and invalid Social Security Numbers. Are those the main categories of——

Mr. HARDEN. Those are the main categories that we have seen to date. There is also work that FNS does through their quality control reviews at states that also let them know how well the states are originally issuing the benefits. And that is like the——

The CHAIRMAN. You mean determining qualifications properly?

Mr. HARDEN. Yes. And that is the error rate that you see going down even though there are more participants on the program.

The CHAIRMAN. Okay. Ms. Fong, can you help here? Is there a way again to get to some collective impact based upon this subset of data?

Ms. FONG. Let me see if I can offer some comments. What I believe we found in Florida and Kansas, when we designed our audit program, we looked at the data and we started to focus in on these four or five situations that you mentioned. And based on our analysis of those four or five areas, we found that perhaps—and I don't recall the exact percentage—somewhere between .3 and 1 percent of the recipients may have been ineligible. Now, that percentage is less than the overall improper payment rate in the SNAP program as a whole, which I believe last year was at 3.6 percent. And so what that seems to indicate to me is that while this is an area that

we should focus on and work with FNS on in terms of addressing, it may not be the key driver in the improper payment rate in the program. Now, we don't know enough to really conclude that.

The CHAIRMAN. Okay. Well, that is helpful. I have taken a lot of time—let me turn to the Ranking Member first. But we will come back to that point to talk about what are the other potential key drivers, as well as this SNAP trafficking issues that I would like to go into deeper.

Ms. FUDGE. Thank you, Mr. Chairman.

Inspector General, in June we discussed the lack of coordination between departments regarding the suspension and debarment for individuals and entities in violation of program rules. Now, based upon your answers in June, I am convinced that this issue really has not received the kind of attention I would like to see it receive. Would this be an appropriate matter to bring to the attention of the Council of Inspectors General, and if so, how can I help you do that?

Ms. FONG. Thank you very much for your support on suspension and debarment. This is an issue that all Inspectors General feel very strongly about because we believe it is a critical tool that agencies should use to make sure that people are not participating in programs where they have been adjudicated to be bad actors or otherwise deemed not appropriate.

I would be very happy to work with you and your staff on this. The Council of IGs has engaged in a number of projects to raise the issue of suspension and debarment government-wide, and I believe that one of our IGs is testifying on the Senate side in the very near future on these issues. And so we certainly have an interest in this and welcome your support on that.

Ms. FUDGE. Thank you. I would be happy if you would contact my office so that we can at least try to move this a little faster than I think it has been to this point.

In your testimony, you referenced audits that analyze SNAP participant databases in ten states. When analyzing data in Florida and Kansas, your office found 160 active participants who were previously disqualified from receiving SNAP benefits. You also found that 973 participants received simultaneous benefits from at least two states. You noted failures by FNS that perpetrate this kind of fraud. The issue seems to be the absence of a national database and no requirements that states check the FNS database before admitting SNAP participants. Is your office working with FNS to remedy these issues?

Mr. HARDEN. Yes, ma'am. Those are some of the exact issues that we will be working with them as we have identified them now and also as we roll up the results since we have the results of all ten states to have that dialogue with them about it is a way to move to a national database and requiring that.

Ms. FUDGE. So you are saying once you get the data, you will be working with them; but, you aren't now?

Mr. HARDEN. No, we are now——

Ms. FUDGE. Okay.

Mr. HARDEN.—as part of our work. It is a question that we need to make sure—it is not isolated to one or two states. It is confirmed that it is in the majority of the states that we are looking at.

Ms. FUDGE. And at some point, could you get my office some update on what your progress has been in that effort?

And also, what is the protocol when OIG discovers substantial system failures that need to be cured by FNS?

Mr. HARDEN. In general, our reporting process if we go through audit work and see something of great significance that needs to be addressed immediately during our work, we issue what we call a fast report. We issue that to the agency and ask for a response to specific recommendations in 5 days. Then, that report can become public and shared widely because it has been reported and responded to. Those types of issues will then be later rolled up into a summary report at the end of the audit work.

Ms. FUDGE. And who is responsible for ensuring that the failures are remedied? Whose responsibility is that?

Mr. HARDEN. The agencies are responsible for developing——

Ms. FUDGE. But who oversees it and says you didn't do it or you did do it, who does that?

Mr. HARDEN. The process for closing recommendations is we would make the recommendation to the agency, they respond, and we then agree on their corrective action plan and the time frame that they are willing to do that in.

Ms. FUDGE. When you say we, you mean the Inspector General?

Mr. HARDEN. The Inspector General's office and the agency. Once we have reached that agreement, it is then transferred in the department to the Chief Financial Officer's office that tracks those through closure. As I understand the process of the CFO's office, there are people that are dedicated to making sure the agencies are meeting those time frames. When they do not meet those time frames, there is follow up by the CFO. If an agency sees that it can't do what it agreed to do with us, they are required to let OCFO know and come back to us and ask if we can have a change in the plan. And then we will have to have a dialogue at that point and see whether we can agree with that or not.

Ms. FUDGE. And what is that total time frame?

Mr. HARDEN. Once we have agreement on the recommendations, which we try to do in no less than 6 months, they are supposed to try and get the final corrective action done in a year.

Ms. FUDGE. It seems like an awful long time to me, but thank you, Mr. Chairman. I yield back.

The CHAIRMAN. Mr. McGovern?

Mr. MCGOVERN. Thank you, Mr. Chairman. And Inspector General Fong, thank you very much for being here.

All of us here are very much committed to eliminating fraud, waste, and abuse not only in the SNAP program but every program that the government oversees. But I do think it is probably worth stating that the USDA deserves a little bit of congratulations for continuing to lower the error rate in terms of SNAP. I mean if only the Department of Defense ran their programs as efficiently and effectively as this program, I think we would all be a heck of a lot better off. We could save a lot more money and put it toward deficit reduction.

But the error rate here continues to go down. That is a good thing. And when we talk about the error rate up to this point we have been talking about overpayments and people taking advan-

tage of the system, but part of that error rate includes underpayments. Am I not correct? In other words, the examples where people are not getting what they are entitled to, how big of a deal is that in terms of the audit? Where does that fit in in terms of your data?

Mr. HARDEN. In terms of the work that we are doing in the individual states, we are not necessarily looking at the underpayments because that is really more of the QC process. That is not part of what we are looking at now. I would have to go back and look at the numbers that are reported in terms of underpayment.

The CHAIRMAN. Will the gentleman yield?

Mr. MCGOVERN. Yes.

The CHAIRMAN. UC? What did you say? The UC process?

Mr. HARDEN. Oh, the QC, the quality control process that FNS has.

The CHAIRMAN. No acronyms, please.

Mr. HARDEN. Okay.

The CHAIRMAN. I have a no-acronym policy in my office——

Mr. HARDEN. Sorry.

The CHAIRMAN.—so we can all understand what we are talking about. Sorry. Excuse me, Mr. McGovern.

Mr. MCGOVERN. Thank you. And the reason why I think that is an important thing to look at is when we are trying to look at what is the net plus in terms of monies that can be saved through cracking down on fraud and abuse. What I was just trying to figure out is: is the money that is going out to people where it shouldn't, where does that fit in with the monies that should be going out to people that they are not getting? But are underpayments an issue in terms of the error rate?

Why aren't the states doing a better job? Is it because they are overwhelmed or because they are understaffed, or is it because they don't care or don't feel that they need to be better overseers here? What is your opinion on that?

Mr. HARDEN. The reasons we have heard thus far go back to resource issues. The state agencies are charged with both delivering the program and also providing the oversight, and so it is their juggling of their resources. And that is part of what we want to continue to talk to the different states, as well as FNS, about and see what is the proper balance that FNS is expecting the states to be doing.

Mr. MCGOVERN. I know in my State of Massachusetts, the number of people who are eligible for SNAP has increased as the economy has gotten worse. I think it is also important to state that yes, SNAP and nutrition programs are a big part of USDA's budget but if the economy gets better, then fewer and fewer people need the benefit and then it goes down. But in my State of Massachusetts, because of the increase in people who are eligible, they have had a staffing problem being able to keep up with the applications and being able to process everything. You know, and there is really no other way around their dilemma other than additional staffing. Yet, we continue to talk about reducing the program. In order to deal with some of the fraud issues and some of the efficiency issues, you do need appropriate staff at the state level. Is that what you are finding as well?

Mr. HARDEN. Yes, sir. That is true.

Mr. MCGOVERN. You know, we talked about some of the scams that have been going on. I just saw an article today about this new phenomenon called fake food stamp websites preying on the poor about people who have set up these websites and scams to tell people who may be eligible for food stamps or for SNAP getting them to pay a fee in exchange for information, are you following this at all?

Ms. ELLIS. We are aware that that is a problem and I do believe that we have been talking about this with FNS. They are aware of it, too, and are trying to put in some procedures to detect and to prevent that.

Mr. MCGOVERN. I know my time is running out here but let me just make a point. One of the reasons why I wanted to stress the efficiency of this program is because I think there is a mindset amongst some that this program is not run very efficiently and that there are lots of taxpayer dollars that are being wasted. I don't buy that, but clearly the error rate is low. Yes, there are places that need to be tightened up—and I know you don't run the program—but I think it is important to point out that there are some here who view the SNAP program as kind of an ATM machine to pay for all our other programs here. We dipped into the SNAP program to pay for teachers a year and a half ago. We dipped into the SNAP program to pay for the Child Nutrition Reauthorization Act. And the way we are figuring it out right now is that for a family of four, right now they get around $288 a month. And based on the cuts that have already been made, it would go down to somewhere around $220 a month.

The other important point to be focused on here is to ensure that people get a benefit that actually meets their needs and that the way that you get to additional efficiencies may not necessarily be by cutting. In some cases, we may need to be adding staff to do proper oversight. I will close with one other question.

Senator Kyl announced that he was looking at SNAP as a potential offset to pay for the extension of a payroll tax cut, but he says that there are some people who earn more than $1 million in income who are eligible for food stamps. Based on your understanding of the program, if you make a million dollars a year, are you eligible for food stamps?

Mr. HARDEN. That is not my understanding.

Ms. FONG. I think under the SNAP regulations that a person with an income of a million dollars would not normally qualify, but there are, as you know, other provisions in terms of categorical eligibility where that may come into play or there may be asset tests—if it is an asset as opposed to income, that may be another factor.

Mr. MCGOVERN. Right, and there are income eligibility tests and asset tests, but I think it would be helpful if you could give us some clarity on whether or not millionaires are getting SNAP benefits or not. You know, it is hard for me to imagine that somebody who has assets of over a million dollars is eligible for SNAP, but I mean if you find that I would like to know about it. If you don't, I would like to know about that, too, because again it leaves the impression that somehow there is massive abuse of this program.

And based on what you have told us so far, that is not the case. There is some abuse but it is not at a level comparable to some of the defense contracting practices that we have in this country.

So in any event, any information on that would be very helpful to have. Thank you.

The CHAIRMAN. Thank you, Mr. McGovern. I think it is important to point out the SNAP program has doubled in expenditures in the last 4 years. But to the gentleman's point that it might be helpful if we did have a type of spreadsheet that showed all those states' qualification requirements based upon the criteria that you just said. There is a general requirement by Federal statute, the general parameter or the general eligibility standard and then the variation by states. That might get to this point as to whether asset considerations are a part of certain states' requirements or not and that might be helpful information.

Ms. FONG. We would be happy to talk with our colleagues at FNS. They may very well have that information and we will see what we can do to work with you on that.

The CHAIRMAN. Thank you. I will turn now to Mr. Crawford.

Mr. CRAWFORD. Thank you, Mr. Chairman. I just want to ask a few quick questions about duplicative benefits. In your database analysis, did you look at duplicative SNAP benefits being given out to individuals with similar names and addresses?

Mr. HARDEN. I would have to go back and look at our exact methodology. That is not one that comes to the top of my head in terms of tests that we perform.

Mr. CRAWFORD. Okay. If there were similarities, how would FNS go about working through possible duplicative benefits to the same individual?

Mr. HARDEN. Well, the way we identified those was in the database. You would be able to identify a person with the same Social Security Number and they are receiving two sets of benefits.

Mr. CRAWFORD. Okay.

Mr. HARDEN. So we would know that there was duplication.

Mr. CRAWFORD. Okay, so just based on their Social Security Number——

Mr. HARDEN. Yes.

Mr. CRAWFORD.—you are pretty comfortable with that? Okay. And so that would answer my next question. How does SNAP work through discrepancies if there were similar names? You are basing this solely on a Social Security Number?

Mr. HARDEN. For that particular one, yes.

Mr. CRAWFORD. Okay. How do you propose FNS would improve the current initial eligibility and approval process?

Mr. HARDEN. Well, that is some of what I said before. That is part of the questions that we are working on with them. We are working on the ten individual states right now. We have issued two. As we are working with the remaining eight, we are also talking to FNS about the findings we are seeing in each of the states and what improvements can be made at the national level and what the expectation of what they would want the states to do.

Mr. CRAWFORD. Okay. Let me ask you do you think that it is possible there might be an opportunity to integrate commercial data-

bases available in the private sector to help more efficiently manage?

Mr. HARDEN. Let me go and look at that and see how it is done because similarly I think—or what is occurring to be similar to me is the electronic benefits transaction processors that work with each state are commercial entities that provide databases. And so there may be a way to integrate them into that as well.

Mr. CRAWFORD. Okay. In your opinion, do you think FNS can respond to all of the recommendations that were made without legislative changes?

Mr. HARDEN. Right now, my understanding is there is not a need for an additional legislative change, but that is definitely part of the questions that we will be discussing with them as we work towards recommendations.

Mr. CRAWFORD. Okay.

Ms. FONG. Let me just make a comment on that. They have agreed to take action on virtually all of our recommendations and they have not indicated to us that legislative action would be necessary in order for them to do that. I think it is our understanding and theirs that they are able to proceed.

Mr. HARDEN. I guess another part of that point, too, is the findings that we are having is that they are not using the Social Security death match list, they went out with a notice to the states in mid-November reminding the states that that is a requirement that they are supposed to use that. And they are also preparing to go out with a final rule in early 2012 to address that point as well.

Mr. CRAWFORD. Okay. In what little time I have left, let us switch gears a little bit. USDA received $50 million in the Recovery Act for information technology improvements, and you released an audit report earlier this year on whether the funds were spent according to the requirements of the Recovery Act. But as discussed at the June 2 hearing, we would be interested in knowing whether those funds resulted in better program delivery for our constituents. Are you looking into that issue?

Mr. HARDEN. As part of that particular audit, we did not see any problems with program delivery. The things that we saw were reporting requirements related to the Recovery Act.

Mr. CRAWFORD. Okay. I yield back.

The CHAIRMAN. Thank you. Let me follow up on the earlier questioning that I had regarding the problem with states not discerning properly or using systems to discern properly whether deceased individuals' SNAP benefits were being lifted, disqualifications, dual benefits, as well as people who have invalid Social Security Numbers. You were saying that that is probably accounting based upon again this preliminary data for half a percent to one percent of the total fraud rate. The presumptions of which were based upon—I would like to hear you further speak to this—is about a four percent overall problematic rate of use of program funds. So identifying the other factors involved here is where we left off our conversation. So if you could do that.

Ms. FONG. I think it might be helpful if Mr. Harden could provide some information on how FNS calculates its improper payment rate.

The CHAIRMAN. That would be a good place to start.

Ms. FONG. Yes.

The CHAIRMAN. And again the number is generally about four percent, right, fallen from six percent to the point that we have made good progress here and that is important to point out. But still, the numbers are so large to get this down as close to zero as possible is obviously what we are all intending.

Mr. HARDEN. I guess the place that I would start is the improper payment rate that is reported is a different number than what we are trying to look at in terms of fraud detection. And that process for the improper payments generally is that each state is required to do a sample of its recipients each year and find out if they are receiving the right amount of benefits. That can come with underpayments or overpayments. And that is a statistically selected review in the states as I understand it. The FNS then does an overlay sampling of those reviews to come up with a national improper payment rate.

Your question about the collective impact of——

The CHAIRMAN. Okay. So we are actually mixing terminology. Is that what you are trying to do is try to separate——

Mr. HARDEN. Yes.

The CHAIRMAN.—improper payments from fraud.

Mr. HARDEN. Fraud. That four percent number doesn't encapsulate all of the above.

The CHAIRMAN. Right. Okay. And what does it capture?

Mr. HARDEN. That captures how well the states determine the amount that individuals were eligible to receive. So that includes improper payments and potential underpayment in that four percent.

The CHAIRMAN. All right. Okay.

Mr. HARDEN. Now, on the fraud detection side, I think a way to come up with a menu to try and come to a collective impact—if I can go back and work on this—the test that we are doing in the states that are identifying deceased individuals or potentially deceased individuals, that list, there are also tools that states use with their processors of the transactions that should give them indications of potential fraudulent payments. That is where I was talking about having an out-of-state usage report when people are using benefits in a different state, that identifies a number of people and an amount of money each month that is potentially being misspent. And that is where we have seen weaknesses in the past with different states we have looked at as to how well they are overseeing that part of the process. But that will also give you an indication of how much fraud there might be. But that is not a number that I have put together. I think I have a way of coming up with something that can provide you some information.

The CHAIRMAN. So we do not have a general number that indicates the amount of fraud in the system?

Mr. HARDEN. We do not.

The CHAIRMAN. So the four percent number that we always talk about is not including fraud?

Mr. HARDEN. Well, I guess it could in part if a person, when they are getting an improper payment, shouldn't have ever gotten it and there was a fraudulent part to that, but the real purpose of what

FNS is doing there is not fraud-related. It is just to see are the people getting the right amount of benefits.

The CHAIRMAN. Yes. Well, then let us move to fraud detection in a more aggressive manner and talk about one of the other areas that we intended to discuss today regarding this SNAP trafficking issue. You alluded earlier that this is involving criminal investigations as well, but I think it would be helpful there to understand the magnitude of the problem and again to try to get some sense of the collective impact of cost on our system. That is ultimately what I am driving for.

We are going to keep talking about this through next year and next—that is ultimately what I am driving for just so you have an understanding of where we are trying to get with all of these various components.

So with that, let me stop and recognize my colleague, Mr. Baca, for any questions.

Mr. BACA. Thank you very much, Mr. Chairman, and I thank the witness for being here. My question is for Ms. Fong. In your opinion, what are the most critical areas where FNS must improve to ensure the SNAP program is the best steward of the taxpayers' dollars that it can possibly be?

Ms. FONG. Well, thank you for your question. I think I would like to say at the outset that FNS has a tremendous challenge in terms of delivering a program that has grown so substantially in the last few years. And at the state level, as has been remarked upon, the resources that are flowing to the states are tremendous and the state resources available to deliver the programs are shrinking as we hear when we travel around. Managing the program is a tremendous challenge and I would like to say that FNS has been very responsive whenever we identify areas where we think improvements could be made in terms of identifying eligibility issues up front, improving their data systems, dealing with trafficking situations, and working with us on those kinds of investigations. We have experienced a very professional level of cooperation with FNS.

And so what I would say is that as we continue to identify areas in our work and bring them to FNS's attention, we appreciate the cooperation and attention that they give to those recommendations.

Mr. BACA. Yes. We are seeing a higher volume of people applying for the SNAP program due to unemployment and also because the Bush tax initiative has not created any jobs. We are finding, in California, there are a lot of people who are unemployed because jobs have left the state and gone outside of the United States. We have an abundance of people on SNAP, and that is why I am curious to know what we should do about the state resources that are shrinking, because of the higher number of unemployed bodies that are out there right now, and more individuals that are applying for SNAP. And we just want to make sure that we are doing the right thing, there isn't any fraud, and that people that really deserve it get the kind of assistance they need.

And that is why in my home State of California, we continue to suffer from one of the lowest SNAP participation rates in the nation. For whatever reason, people are not applying. The recent passage of legislation that ended the states' misguided fingerprinting imaging policy is a step in the right direction, but I still believe

more must be done to raise awareness and accessibility to the SNAP program.

In your opinion, how can this goal be best achieved? Anyone?

Mr. HARDEN. From my understanding, we have continued discussions with FNS, but they have a very active policy in trying to get the outreach out there for the people that need it. We haven't done any specific work recently to give you specific suggestions.

Mr. BACA. But could you? Because I think that becomes very important as we look at the tremendous need and the growth in the area. How do we do that kind of outreach? What needs to be done? What are the necessary changes? We have safeguards that are already there that protect against fraud indicated by the low rate of fraud in the SNAP program. In fact, SNAP fraud is less than that of defense contractors. Everybody wants to continue to make sure that we have the budget there for defense contracting, and that is where the biggest fraud exists *versus* in SNAP, where fraud is very little, and yet that is where the greatest need is.

No offense, Mr. Chairman, but, that is where we seem to be pushing in that direction. And yet here is a program where there is a large need. You and I have been in Omaha, Nebraska and that area is dealing with some of these problems. I am very much concerned because sometimes there is a misconception that there is a lot of fraud in the SNAP program when in fact it is a lower percentage than in other areas we should really be investigating.

Let me ask a question pertaining to civil rights. As you know, the 2008 Farm Bill established the Office of Advocacy and Outreach to expand the participation of socially disadvantaged and beginning farmers and ranchers and other under-served constituents at USDA. Has OIG reviewed the efforts that have been made to bring the Office of Advocacy and Outreach to an operational level?

Ms. FONG. We are aware that that office was recently established. It has not risen to our radar screen in terms of evaluating how effectively it is operating. As we do our planning every year, we look at risk and since everyone's resources are limited these days, we try to address areas of the most significant and highest risk. And so far we have not yet done work in this area.

Mr. BACA. Well, hopefully you can get back to us and let us know what needs to be done, because we have looked at this new office that has been established to be simpler and more efficient. We changed it in the 2008 Farm Bill and so we want to make sure that it is cost-effective, yet at the same time providing the services to meet the need of the underserved. We are still trying to deal with Hispanic farmers that have been discriminated against and we haven't quite taken care of that. We have taken care of the *Pigford* decision and the Native Americans but we haven't taken care of the women and Hispanic farmers, that still needs to be addressed.

I know that OIG's audit staff is presently looking at the operations of the Assistant Secretary for Civil Rights Office within the Department. Does this audit include the impact of the recent placement of the Office of Civil Rights under the direction of Assistant Secretary for Administration? If so, how, and has the bureaucracy changed and affected the Civil Rights Office?

I know my time has expired, Mr. Chairman. I stopped looking at the light because I thought it was green and I am used to seeing red all the time.

The CHAIRMAN. We are all violating my rules today but that is fine. You are fine.

Mr. HARDEN. That was not part of our original objective in terms of the movement of the office whenever we started that audit, and it has not risen up as an issue in terms of how we are getting the audit process through. But I will ask if there have been any issues that they have seen related to that as we conclude that work.

Mr. BACA. Thank you very much. I yield back whatever time I didn't have.

The CHAIRMAN. Minus 2 minutes. We will put that on the ledger.

Well, thank you, Mr. Baca. I do have to respond to one thing you said. I only have oversight capability of USDA. I don't have it on defense. I would like to think I would be equally as hard over there if that were the case, but this is what is before us at the moment.

By the way, we do have the eligibility criteria categorized by state. Our staff here gave us that so I will take a little work off your plate. And most states do not have a limit on assets by the way, which is interesting to see. Some do but most do not. And then there is gross income, wide variation on gross income requirements.

But let us go back to a couple of points. One is making sure that we are all using the same terminology. The four percent error rate is improper payments, both overpayment, underpayment, the overpayments due to a variety of causes some of which are fraud-related. And there is a second issue of fraud and its total impact on the system, which you are suggesting we do not have a handle on. Individual fraud is generally handled by the states, retailer fraud generally handled at the Federal level. Is that a fair characterization of the way in which this system's enforcement mechanism works?

Ms. ELLIS. Yes.

The CHAIRMAN. Okay. All right. I think it would be helpful, though, in your work to try—as much difficulty as you are having with certain collection of state data—to make certain recommendations not only how they prevent the fraud in the improper payments issue with people using it across state lines and the other problems with eligibility and Social Security Number and deceased persons, but to combine those two numbers with what has been the Federal emphasis on the retail fraud problems so that we get a better snapshot of just what that number is.

Let me go back: the issue of a four percent overpayment has generally been considered the problem in the system. It has fallen from six to four percent; progress has been made. But it is not exactly the problem because it doesn't include the underpayment as well as overpayment. So to separate terminology and let us start to talk about the real either criminal activity or programmatic abuse that is out there and the lack of state enforcement and Federal coordination of those enforcements both on the individual as well as the retailer would get us to that collective number of fraud in the system, and give us some idea of the impact here and make

sure this program is run with the highest level of integrity as possible.

Is that a fair characterization of some of the language dilemmas we have had today, some of the crossover conversations? Is that a fair way to characterize the basic two sets of issues before us?

Mr. HARDEN. I think so.

Ms. FONG. I think you raise some very good points and you have summarized very well the kinds of issues that we are struggling with. And I will say personally that I would like to have a better grasp of these numbers and these issues. What we will do, our staff will reach out to FNS and see if we can get a better understanding of how these concepts work together. And we would be very happy to chat with your staff and you——

The CHAIRMAN. Well, let us do that, and I think we will all be better prepared for the ultimate objective. What we are looking for here is again to how to reduce any waste or fraud that is in the system and make policy recommendations to ensure that there is no overpayments due to simply administrative, bureaucratic, or uninformed individuals, problems, or any burgeoning criminal activity and the appropriate policy recommendations to stop that. Again, we do not have the option of allowing for any slippage given the tight budgetary times and sometimes tight budgets actually force us to be more creative than we used to be. So we need to examine these in great detail. And it would be helpful to us once you unpack these complicated sets of issues, come back with policy recommendations that would look at again how states could better coordinate efforts, whether it is a shared database or the individual state could do a better job of looking at particular categories where we see some spikes in the problem of either eligibility underpayment, as well as fraud.

So let us go quickly though to the issue of trafficking, SNAP trafficking, because I think this particularly strikes me as particularly outrageous. Again, moving to the electronic benefit card was supposed to eliminate a lot of this problem where we before had seen sometimes the stamps being used as an underground currency. So let us talk about how the abuse now occurs in the system, the size and magnitude of it, and how we prevent it.

Ms. ELLIS. The comments you made about the EBT supposed to be eliminating fraud, what we have found in our criminal investigations is that it has actually helped us as criminal investigators to detect the fraud and to actually make our cases as opposed to the coupons. And that is because everything is electronic and we do work with FNS who has the system known as ALERT, which helps them to find what the different patterns are. They have different ways of determining whether or not a retailer is involved in trafficking say, for instance, somebody is swiping—meaning the retailer—is swiping an EBT card every 2 seconds when you know it should take longer than that to do a transaction. And so that has been a very good tool for us is going to the EBT system——

The CHAIRMAN. First of all, explain that though. Okay, why would——

Ms. ELLIS. Yes.

The CHAIRMAN. How do you defraud the system by swiping it every few seconds? I am sorry. I just don't have a criminal mind like this. Would you help me understand?

Ms. ELLIS. Sure. Absolutely. What happens in trafficking is what you generally have is recipients who sell their EBT benefits. And what they do is they go into a retailer who is willing to take the recipient's benefits. Say, for instance, they have on their card $100 worth of benefits. The retailer will offer the recipient half of that amount. They will offer them $50 in cash, and so what happens is the recipient sells their card or hands over their card, gets $50 in cash from the retailer. Then the retailer swipes that EBT card through the system and therefore they make a $50 profit.

The CHAIRMAN. But that is going to show up in the accounting on lack of goods purchased——

Ms. ELLIS. Exactly.

The CHAIRMAN.—so that is why this was designed that way to prevent this, right?

Ms. ELLIS. And we find that unfortunately they look for ways to scam the system. And they are——

The CHAIRMAN. So does the person that schemed, connived at this go and actually take the goods off the shelf?

Ms. ELLIS. And that is the problem. They don't. They walk into the store. And that is one of the indicators that I had mentioned that they can tell that this store is trafficking because FNS watched through their ALERT data, which shows the scans from the particular retailer. It will show that there are transactions happening every few seconds, which means that this card is being swiped for one recipient cash handed over, they leave, and here comes the next person, same thing, swiping.

If you go to the grocery store, you know it takes longer than that to run all the groceries through and then to swipe the card. And that would be a legal transaction. It should take like 5, 10 minutes to actually do a good transaction. That is one of the anomalies that we look for——

The CHAIRMAN. So this has to be insider work, the proprietor, owner, management of the particular outlet, or else they wouldn't be able to move the commodities out of the store. That is effectively their payment.

Ms. ELLIS. Right.

The CHAIRMAN. Right?

Ms. ELLIS. And one of the things that I will let you know, too, is that a lot of these of course are the mom-and-pop stores.

The CHAIRMAN. Right, so——

Ms. ELLIS. They are not——

The CHAIRMAN.—how big is this? Again, give us the estimate on how widespread this is. I assume it is fairly small.

Ms. ELLIS. I can't tell that information. I can only tell you that our work in SNAP is increasing and for instance in 2009 we were spending about 27 percent of our time conducting these cases, but it has grown so that as of Fiscal Year 2011——

The CHAIRMAN. Okay——

Ms. ELLIS.—we were doing 48 percent. I don't know a dollar value.

The CHAIRMAN. It comes back to that question again. We have to have some better information to be able to use the cases that we have to create some statistically valid model that would actually give us an indication of how impactful this is in terms of cost. That also helps us determine future policies as well to address the issue.

Ms. ELLIS. I will add that I know FNS and the Department has utilized a one percent rate for trafficking. I do not known how they derived at that, and that is something that we can certainly—probably Mr. Harden would be visiting with them on. But that is the number that they have utilized.

The CHAIRMAN. Okay. Well, I think again we are pretty clear on what we are driving to here to get a better handle on the definitions of what we are talking about in terms of improper payments, fraud, and the collective impact of both, even as they crossover in the part of improper payments that is due to fraud.

The policy recommendations that come out of your work particularly regarding the eligibility problem for individuals or the abuse of Social Security Numbers of persons who are now deceased, as well as maybe strengthening enforcement efforts for this trafficking issue, which, as you are suggesting, might contribute to about one percent loss. I assume what you said one percent means a total loss to our system, which again on a $70 billion program, that is a lot of money. So if enforcement efforts need to be intensified or if policy changes that would be helpful in terms of criminal investigations or enforcement actions could be forthcoming, I think that should be helpful to you but it would be helpful to us as well.

So I turn to the Ranking Member now for any final statements or questions.

Ms. FUDGE. I have a couple of questions. He is really enjoying this questioning of you guys. Thank you, Mr. Chairman.

Just two quick things actually because I do have to go to a markup. Obviously, we all want to be good stewards of the public dollar, that is what this whole thing is about. So our job in a lot of ways is the same as yours. Certainly, we do know that there is some fraud but the need is greater than the amount of fraud. So I just want to say that we want you to do everything you possibly can to try to weed out some of the issues that we have discussed today, and certainly if we can help you in some way to do that, then please let us know.

I do want to ask a question shifting to a whole other subject and going back to what my colleague, Mr. Baca, was talking about. And that is civil rights. When you were here in June, we had a really good exchange about the status of USDA's Office of the Assistant Secretary for Civil Rights. And at that time you mentioned you were beginning a new audit to address civil rights complaints. Could you just give me an update on where you are right now with that?

Mr. HARDEN. We were in the process of looking at—and what we are looking at there is the settlement agreements, I think is the right word to use, in terms of the payouts that they are making. Are they supported? Are they accurate? And how are they supported? We had started that work earlier. We are still in the process of pulling that together and I expect to have that report soon.

But the reason we did not get that one done by this time, which we also talked about in June, is we found some other issues that we have had to work with, our counsel's office as well as the Office of General Counsel to make sure we properly understand the issues and if there is something to report and recommend.

Ms. FUDGE. When you say soon, you told me soon in June. Tell me what "soon" means.

Mr. HARDEN. Can I get back to you with a more specific date? I would like to talk to the team so I can——

Ms. FUDGE. And you would get back to me when?

Mr. HARDEN. This week.

Ms. FUDGE. Thank you so much.

Just as a follow-up, I certainly do understand the restraints and constraints on your time and your resources. I do. But I really am very frustrated about this because since May of 2009 the semi-annual reports from your office have listed a material weakness in civil rights. And that is your terminology, "material weakness," as a persistent problem within the Office of the Assistant Secretary for Civil Rights, and yet we are still waiting for some tangible result. So just understand my frustration on that. And I want to impress upon you the importance of this work. So I will be looking to hear from your office.

And last, I would like to briefly address USDA's IT system. In your testimony, you mention that OIG has made 43 recommendations to remedy USDA's long-standing deficiencies in its IT security. However, USDA has only closed six of the 43 recommendations. What gives, guys?

Mr. HARDEN. As we have pointed out in this year's Information Security Report as well as last year, the Department struggles with what we have recommended is they prioritize those things so that they can close and make some progress. We have talked to them in terms of the number of projects that they try to complete and we are still in dialogue with them. They feel that they are able to complete the number of projects there are, but our work continues to show that they don't seem to be able to get them finished. So we continue to work with them to tell them how to prioritize their work to get things completed so that they will be able to close the recommendations. But the recommendations in those reports a lot of times are driven by the requirements that the National Institute of Standards and Technology makes, and sometimes those are changing which just creates more recommendations.

Ms. FUDGE. And I am going to go back to the question I asked in my first line of questioning. Who is responsible for making it happen?

Mr. HARDEN. In that particular case?

Ms. FUDGE. Yes.

Mr. HARDEN. If we are making recommendations to the Chief——

Ms. FUDGE. Yes.

Mr. HARDEN.—Information Officer, the Chief Information Officer is responsible for getting those things made.

Ms. FUDGE. And who oversees that process to say you didn't do it? And what is the penalty for not doing it?

Mr. HARDEN. The penalty for not doing it I will walk through quickly what I said before. We reach agreement on the recommendations. Then it transfers for oversight to the Chief Financial Officer's Office for monitoring until they actually complete the action. I guess the bad thing that happens is that if they do not meet the time frame of implementing it when they are supposed to or when they agreed to, it gets listed in the Department's Performance Accountability Report each year that it has not been done.

Ms. FUDGE. So there really is no penalty? So you tell on them.

Mr. HARDEN. That is the Department's statement for itself.

Ms. FUDGE. So, it is nothing more than an audit where you get an unqualified audit or something and you say, "Look, you didn't do this." So if nobody enforces it, that could be in the audit for the next 20 years?

Thank you very much.

The CHAIRMAN. Okay. I thank the Ranking Member.

Mr. McGovern, did you have——

Mr. MCGOVERN. Thank you very much.

You know, I want to associate myself with my colleague, Congressman Fudge. We are all obviously committed to doing everything we can to eliminate fraud, waste, and abuse to the system. I want to make sure that every dollar that is paid out goes to somebody who actually needs it and doesn't go to fraud or doesn't go to somebody who doesn't need it, and so we are all very much committed to that.

You know, the issue of categorical eligibility was raised here and the states have different requirements, but my understanding of categorical eligibility, it is really a process the states have embraced to kind of simplify the process of helping people get the benefits they need. And while you may be eligible under a state's Cat-El rules, while you may be eligible for SNAP benefits, that doesn't mean you get a cash benefit. I mean it just means you get considered. Am I correct? I mean the Federal standards don't get tossed away because of states categorical eligibility rules, am I right on that?

Mr. HARDEN. As I understand it, yes.

Mr. MCGOVERN. All right, because again I want to take on this myth that somehow that Donald Trump is getting SNAP benefits or that because of categorical eligibility somehow he would be able to get SNAP benefits. I mean the way I look at it, that is not the problem with regard to some of the inefficiencies that currently exist in SNAP. Would you agree with that or——

Ms. FONG. Well, I think that you are right, that that is not the policy of the program. The whole purpose behind categorical eligibility was to simplify the administration of the program.

Mr. MCGOVERN. But from what you are finding is the overpayments, it is not due to categorical eligibility.

Ms. FONG. I don't think we have done enough work to be able to answer that question.

Mr. MCGOVERN. Okay. What would be helpful to me, as somebody who is a strong supporter of the program, as you develop your conclusions is to kind of give us some very specific assignments as to what we can do to make things better. I think in your testimony

you talk about additional resources for IT, and we need to obviously upgrade our technology at the state and at the Federal level, but those kinds of things, to make the program run as efficiently as possible obviously are very, very helpful.

And let me just conclude, why we are having this discussion here today and the real challenge here is that we have a problem in this country where people don't have enough to eat and we have a growing hunger problem. And one of the things I have urged the Administration to do which they haven't responded to me yet on is that I really do think that we need a national policy to deal with the food insecurity and hunger in this country. The White House should do a White House Conference on food and nutrition because the challenge of dealing with the costs that are incorporated with SNAP just don't fall under FNS or USDA. It is multiple agencies that need to come together and figure out how we eliminate hunger in this country.

I want to get to the point where we are not here talking about what we are talking about here today because the need for this program becomes less and less and less. I would urge USDA and the Administration to help bring us together and figure out a holistic plan to be able to deal with the fact that in the United States of America there is not a single community that is hunger-free, and that is something we all should be ashamed about.

The people who get SNAP by and large are poor people and not just the unemployed but the working poor as well. The fact that more and more people are eligible for this program, is cause for concern for all of us up here. In addition to giving us the recommendations on how to make this program run better, I would urge you—and I know you don't run the program—but we need a more holistic approach to the issues of food insecurity and hunger in this country.

So I thank you for your work and look forward to continuing with this dialogue and getting your recommendations.

The CHAIRMAN. I thank the gentleman.

Just to conclude, I think we have some homework assignments here, and I would like to again get some clarification from you on how quickly we can finish your current work with the subset of states that you are looking at in terms of these eligibility and improper payment problems, those various categories that we talked about, how quickly will that be done.

And then I think what would be helpful is moving away from some—let us say redefining some terminology here that helps us better understand the extent of fraud, the extent of actual criminal abuse in the system, the extent of improper payments so that the improper underpayments are one category of number, the improper overpayments are another category of number, and how those are coming about. Some of the criteria you listed today, that number then gets vetted with the fraud number and the primary focus of the Federal effort has been on this retailer fraud, which is also very important. But also to try to get some sense from the states as to how widespread the individual fraud problem is, which is not an aggressive focus of the Federal criminal investigations as I understand it.

So then that gives us a better sense of the program's integrity, how well this is being run, what are the policy changes that could be made so that we are ensuring that we are meeting basic food safety needs in this country, which is the mission of this very important program, but using taxpayer monies in a most effective manner so that people who are eligible and need the help are receiving it properly, but those who are abusing the system are weeded out or even prosecuted. This is the purpose of trying to do this. I think the broader implications of food security are a little bit beyond the purview of this particular Committee but certainly a worthwhile discussion that we need to continue to have in the Agriculture Committee as a whole.

My job is to try to get to some better data here so that we can get the potential policy recommendations that actually ensure the highest level of integrity possible in this program. I understand the other points being made about how this one is a natural target because there seems to be so many dramatic stories out there *versus* other programmatic areas in the government. But at the same time, because it is so large, it is necessary for us to do all we can to ensure that it is operated with great integrity.

And so we are again depending upon you to do that. So have I made the task that I would like to see clear? Are you capable of completing that in a timely manner? Is that consistent with the resources and mission that you have what I have asked for?

Mr. HARDEN. I believe we can, sir.

The CHAIRMAN. Okay. Let us get a sense of the time and again let us don't get entangled in a significant delay here. If we see that coming, let us get preliminary data coming to us so that we all know what we are working toward. Can you give a sense of the time for what I have requested for the individual reports or the preliminary information that we have talked about today? Well, they are all related to the bigger question that I have driven to. They are all related to that so the finishing up of your sampling states is one question, and then the other implications of redefining some of the terminology so that we have some clearer understanding of the level of what we call improper payments due to underpayments, improper payments due to fraud and their various manifestations, improper payments due to criminal activity or abuse of the system due to criminal activity at the retailer level aggregated, that number as well so we can see the total impact on the system.

Mr. HARDEN. The current timelines for the individual reports are, over the next couple months, with all of them done by the end of March. The rollup report that will pull that together and will tackle the question, with recommendations regarding how to get to the fraud number possibly, that will come after that. And before having this discussion today, I had a time frame for that in mind. I have a better understanding of what your question is and I need to go back and talk to the team in terms of what additional things we may need to do and what we can work with FNS to develop.

The CHAIRMAN. Okay. Well, why don't you answer that question back to us in the near term——

Mr. HARDEN. Okay.

The CHAIRMAN.—next week or so.

Mr. HARDEN. Okay.

The CHAIRMAN. Would that be possible?

Mr. HARDEN. I will try.

The CHAIRMAN. Okay. And then we will have a better understanding of the timeline that is possible here. And if there is any slippage or delay, we need to understand why and then but still continue to get some preliminary snapshots of what looks like trends, okay?

Mr. HARDEN. Okay.

The CHAIRMAN. You have a lot of homework.

Mr. HARDEN. Yes.

The CHAIRMAN. Okay. Well, Ms. Fong, we are pretty clear now on what we need? Yes.

Okay, well, again thank you all for your work. Thank you for coming today. And with that, we will conclude the hearing.

[Whereupon, at 11:22 a.m., the Subcommittee was adjourned.]